

April 18, 1969

Martin L. Wolf, Esq.  
Wolf, Cafferty & Wilkins  
737 Dexter Horton Building  
Seattle, Washington - 19804

Dear Mr. Wolf:

We have this week received a title report covering the property subject to the proposed lease with Messrs. Farrell and Lenci, which report was issued by Pioneer National Title Insurance Company under No. B-878863 and is dated as of February 3, 1969.

We had requested that a title report be sent to us from the outset of our negotiations with Mr. Farrell to ascertain the condition of title. Throughout the lease negotiations we have relied on the representation of Mr. Farrell that the property to be leased to this company was owned by the lessors named in the lease. The title report shows this is not the case. A portion of the property is vested in Oscar Fredrickson, and the remaining portion is vested in Edna May Hansen, subject to a possible community property interest of (b) (6).

A number of the lots forming a part of the premises described in our proposed lease have been conveyed to Frank Lenci, or Frank and Ruth Lenci, but Lots 1, 2 and 3 thereof have been conveyed under a contract of sale to Lenci's Second Incorporated, a Washington corporation. In addition, there is no evidence that Lenci's Second Incorporated is on the list of active corporations on file in the office of the Washington Secretary of State. Furthermore, a cloud on title exists in that there is a possible outstanding community property interest in the spouse of one Kenneth Penny, a former owner of Lots 8 and 9.

Finally, Exception 12 of the title report referred to above shows title is subject to rights of the City of Seattle to damage the premises by changing and establishing street grades under judgments on verdicts entered April 9, 1954 in Case Nos. 460720, 460721 and 465381. We request that we be fully informed as to the nature of the foregoing judgments and the possible affect they may have on the premises covered by our proposed lease. We also request title be cleared of any interest

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on the part of the (b) (6) and the (b) (6)  
In addition, in order for us to have a lease upon which we can rely, we wish to have Mr. Fredrickson, Edna May Hansen, and Lenci's Second Incorporated execute our lease. In any event, Mr. and Mrs. John Farrell are not shown in the title report as having any interest in the property described in the proposed lease, and unless the situation has changed since the date of the title report there appears to be no reason why they should have executed the lease as lessors.

We are most anxious to conclude lease negotiations and consummate a binding lease with the proper parties. Your assistance to achieve this end will be sincerely appreciated.

Very truly yours,

KAISER GYPSUM COMPANY, INC.

Carl R. Pagter  
Counsel

CRP:ash

cc: Mr. and Mrs. John V. Farrell, and  
Mr. and Mrs. Frank Lenci  
18520 Normandy Terrace, S. W.  
Seattle, Washington - 98166

bcc: H. C. DuPuis